

## **REMARKS**

Applicant has carefully reviewed the Office Action dated February 5, 2009. Applicant has amended Claims 1, 4, 5 and 6 to more clearly point out the present inventive concept. Reconsideration and favorable action is respectfully requested.

The Examiner has reopened the prosecution on this case, which was in appeal, on the basis that new grounds of rejection were found. The new grounds of rejection involve first, a new reference, *Horowitz*, which is used to reject the claims under 35 U.S.C. § 102 and a new argument with respect to the references that were previously presented. Each of these will be discussed hereinbelow.

Claims 1-2 and 4-11 stand rejected under 35 U.S.C. § 102(a) as being anticipated by *Horowitz et al.* This rejection is respectfully traversed with respect to the claims as currently presented.

*Horowitz* is a reference that is directed toward the concept of an electronic purse. This is specifically set out in paragraph [0026] as “the present invention enables the magnetic stripe memory to use purse value 48 stored in electronic purse 46 of advanced technology memory 44.” In general, the system operates utilizing a conventional “smart card.” The smart card includes two items, a magnetic stripe and a smart chip with associated memory. The concept is to store within the smart chip or advanced technology memory (44) information regarding a current value that is stored in a specific electronic purse account such as account (50) at a host system. The host can transfer this account value over to the card and keep a record of the amount that was transferred to the card. Of course, it is necessary for a user to update this amount. Although not described, if additional amounts were deposited within the accounts of the user, this would not necessarily be on the card until a later transaction. The mirror or phantom account (56) would keep track of what was transferred to the card. The card itself contains certain information in the magnetic stripe and certain information in the electronic purse (46) in the memory (44). The magnetic stripe is generally utilized “to store a customer name, account number and bank routing information” ([0022]). Additionally, the magnetic stripe is utilized to

store a special transaction number on one of the tracks ([0033]). All that is required is that this special transaction number be recognized by the bank when it is transferred thereto as being associated with a special account. That account is the electronic purse account.

In paragraph [0027], the operation is set forth that the user inserts the card into a special reading machine that can read the information within the memory (44) and transfer it to the magnetic stripe in the form of the special transaction number. It states that the transaction data that forms part of the special transaction number is defined by the user as transaction data, which could be things such as “the value to be transferred, the identification of the electronic purse, a special PIN, etc.” This is then encoded into the special transaction number and then this special transaction number is recorded onto the magnetic stripe. This amount is then decremented from the electronic purse in the memory (44). Thus, value has been transferred from one storage area to a second storage area on the card.

The next step of the operation involves placing the card into some type of reader, which reads the bank routing number and the special transaction number. Then there will be a prompt for a personal identification number and a transaction amount from the user. This is a typical ATM transaction. Since the ATM knows the bank routing information from the card, it can then send to the bank the transaction amount input by the user, the special transaction number and the PIN. Applicant does not quite understand why a different transaction amount is required since a transaction amount is part of the special transaction number. This is somewhat unclear in the specification of *Horowitz*.

After the Host system receives the transaction packet, it opens and decodes the file and recognizes the indicator that forms part of the packet. This indicator indicates that this is a special account number that is associated with the account (56). It then verifies the PIN, which apparently is the PIN that the user input, although this is also not very clear. It then insures that the balance in the mirror/phantom account (56) is greater than or equal to the transaction amount. It is unclear whether the transaction amount is the amount input by the user or the transaction amount that was transferred to a magnetic stripe in the form of a transaction packet.

Thus, in summary, what occurs is that a special transaction account number is generated that is comprised of information that is used by the financial institution for the purpose of first, recognizing that this is a special transaction and, second, for verifying that funds are available for a specified transaction amount (it not being clear whether this transaction amount is the amount of the transaction packet or the amount entered by the user).

The Examiner has rejected Claim 1 in view of *Horowitz* by providing the text of the claim paragraph numbers representing where this information is found. It is noted that a rejection under 35 U.S.C. § 102 requires each and every element to be shown. In paragraph 2 of the claim, the claim requires that the MRC be resolved and that the MRC has contained therein coded information disposed on the credit card of the user. This coded information is defined in the claim as “having no personal information contained therein relating to the user or routing information over a network.” The Examiner has referred to paragraphs [0020]-[0021] and [0024]. As noted hereinabove, paragraph [0020] indicates that a special transaction number is stored in a standard format on a magnetic stripe of the card and that when the card is utilized in a transaction, the special transaction number is used to perform the transaction. Paragraph [0021] refers to the fact that there are characters that are provided on the card itself. However, these imprinted numbers would not be resolvable for use in a transaction and, as such, Applicant does not believe that paragraph [0021] is relevant. Paragraph [0023] provides a description of the formatting of the magnetic stripe and also sets forth that there is a special transaction number stored on track two of the magnetic stripe memory. Therefore, Applicant believes that the Examiner is constructing the claim in such a manner that the Examiner is of the opinion that the special transaction number corresponds to the MRC of Claim 1. Therefore, this special transaction number must be a number “having no personal information contained therein relating to the user or routing information over a network.” If it were just a transaction amount and a transaction indicator, this could be the case although it is clearly not limited to such. In any event, Applicant is taking the position that the Examiner’s construction of the claim reads the MRC onto the special transaction number.

The second step of the claim requires that a representation of this coded information be extracted and that the coded information in the MRC be “associated with routing information

that is associated with both personal account information of the user and a credit card company server having stored thereat personal account information of the user, which routing information, personal account information and credit card server information are not stored on the credit card.” Thus, the MRC must have some association with routing information that is associated with personal account information and a credit card company server. (It is important to note that Claim 1 specifically states that the MRC contain the coded information and it is this coded information that is transmitted throughout the entire claim.) Thus, there must be some association between this coded information, i.e., the special transaction number and *Horowitz*, and the personal account information of the user and a credit card company server. The Examiner considers such to be the case by referring to paragraphs [0020]-[0021], [0024], [0027], [0028] and [0030]. The Examiner has provided no detailed explanation of how such is the case. [0020] and [0021] provide nothing more than an indication that a special transaction number is provided and used in the transaction. [0027] merely indicates how the special transaction number is created and how it is transferred to the magnetic stripe memory and that this basically decrements the internal memory. However, this does nothing more than provide an indication of the special transaction number. Paragraph [0030] provides an alternate way to encrypt the special transaction number. This is a private key/public key encryption technique. There is nothing in these six paragraphs cited by the Examiner that indicates that the special transaction number is associated with personal account information, since the bank routing number and account number of the user are utilized to access the account of the individual. However, the Examiner indicates that the personal account information is the special transaction account, i.e., the mirror account (56), and this may be one construction. However, there is no indication that the special transaction number is in any way related to a credit card company server. There is no reason for such, as the bank routing number on the magnetic stripe, apart from the special transaction number, directs the card to the bank and the user’s account. Thus, there is no reason to have an association of the special transaction number with the account number and the credit card company server. However, if the Examiner is taking the position that the credit card company server is the financial institution, this presents a problem. In the next paragraph, it is stated that after the MRC is resolved and a representation thereof extracted, the routing information is “obtained” to the credit card server associated with the extracted coded information. There is no routing information that is associated with the special transaction

number that, after the magnetic stripe is read, will be obtained. It is already obtained, as it is already on the card itself. It is important to note that the MRC specifically does not have routing information contained therein. If the Examiner is reading the claims such that the special transaction code is separate from the routing information, i.e., the bank identification number, Applicant believes that this is an erroneous reading of the claim. The claim specifically states that the card has code information contained thereon that does not contain routing information. Applicant believes that all the coded information that is utilized in the transaction would constitute the coded information. By reading the claim narrowly to just read on a portion of the coded information, i.e., the special transaction information, would be improper. Thus, proper construction of the claim is that no routing information be contained as coded information on the card itself. Such is certainly the case in *Horowitz* and, thus, *Horowitz* could not meet the limitation wherein the routing information was obtained in response to resolving and extracting the MRC from the credit card. Thus, Applicant believes that this limitation is not met. Thus, the next step wherein the routing information that is used to connect is not possible, as no routing information can be obtained utilizing the special transaction code.

The Examiner has also noted for some reason that the extracted coded information constitutes "account information." This does not seem to be the case if the Examiner is reading the coded information on the special transaction code. The special transaction code contains the account information therein. Although there is account information possibly contained within the transaction code, as an account number can be contained within the transaction code, the Examiner is somehow using the account information, i.e., the account code, to determine the personal account information associated with the personal account information associated with the extracted coded information referring to paragraphs [0024] and [0025]. All paragraph [0024] specifies is that the special account number be recognized by the bank as a special account with the use of a special indicator. Paragraph [0025] merely provides a terminal that can read and write to the magnetic stripe memory and possibly to the advanced technology memory (44). There is nothing in these two paragraphs that indicates that the transmitted coded information, i.e., the account information according to the Examiner, is used to determine personal account information. Further, in the next paragraph, this personal account information determined in this step is then returned from the credit card company server to the user location. The Examiner

refers to paragraph [0024] and [0025] for this step. The special transaction number is in no way utilized in paragraph [0025]. This paragraph refers to the ability to transfer funds from the host system to the card. This does not involve any of the special coding features. It is just a way for a user to use some type of system to access or interface with the host system.

Applicant believes that the construction of the Examiner is erroneous with respect to how the Examiner is applying *Horowitz*. However, the Examiner has not provided any detailed mapping of *Horowitz* onto the claim or any indication of exactly what terms the Examiner is referring to in the specification other than the fact that the Examiner considers the coded information to be account information, i.e., the account number of the user. Therefore, Applicant believes that *Horowitz* does not disclose each and every element and each and every step in the claim and, therefore, respectfully requests withdrawal of the 35 U.S.C. § 102 rejection with respect to Claims 1-2 and 4-11. With respect to the 35 U.S.C. § 103 rejection with respect to Claims 3 and 12, these rely on the combination of *Horowitz* and *Perkowski* and *Perkowski* does not cure the deficiencies noted hereinabove with respect to Claim 1. Therefore, Applicant respectfully requests withdrawal of the 35 U.S.C. § 103 rejection with respect to Claims 3 and 12.

The Examiner has rejected Claims 1-5 and 7-12 as being unpatentable over the combination *Borecki et al.* and *Perkowski*. The Examiner's rejection is a nearer of the previous rejection that was the substance of the Appeal with the exception of one thing. In the prior rejection, the Examiner stated as follows:

It would have been obvious to one having ordinary skill in the art at the time the invention was made to have incorporated the automated data entry and data locating system, as taught by *Perkowski*, into the credit card account information retrieval system of *Borecki*, for the purpose of enhancing the user friendliness of the system by automating manual data entry and automatically retrieving credit card information.

The current rejection sets forth the following statement:

It would have been obvious to one having ordinary skill in the art at the time the invention was made to have incorporated the

known the automated data entry and data locating system of *Perkowski* into the system of *Borecki* to improve it's system for the predictable result of applying known techniques of automated data entry and distributed data computing to the system. The distributed nature allows enhancements in flexibility, security, scalability and redundancy of the networked system.

The primary distinction is that the Examiner in the prior rejection stated that it was obvious because the combination of the two is “for the purpose of enhancing the user friendliness of the system by automating manual data entry and automatic retrieving credit card information.” The only difference is that now the Examiner indicates that it would have been obvious to combine the two in order to improve the *Perkowski* system “for the predictable result of applying known techniques of automated data entry and distributed data computing to the system.” This seems to be an attempt to utilize the teachings of *KSR*. However, *KSR* requires that the Examiner provide a prima facie case and that is insufficient for the Examiner to merely make broad allegations with no support. Clearly, the Examiner has provided no support for such allegation. The Examiner has not provided any indication why one skilled in the art would find this to be a predictable result, the level of skill required in the art or any detail as to why such is the case other than just a mere broad ranging statement. Applicant believes that this is insufficient and the Examiner has not met the burden of proof of providing a prima facie case for such a conclusion. As such, Applicant respectfully requests withdrawal of the 35 U.S.C. § 103 rejection with respect to Claims 1-5 and 7-12.

In summary, Applicant would appreciate the Examiner providing a more detailed explanation of how *Horowitz* is applied to the claims, such that Applicant can have a clear indication of what the Examiner considers to be the coded information or to be the MRC, i.e., is this the special transaction code or is it the account information that is contained within the special transaction code. Further, Applicant would appreciate a more detailed analysis of why the Examiner considers that this would be a predictable result so that Applicant can better understand the Examiner’s position and draft an appropriate response thereto.

Applicant has now made an earnest attempt in order to place this case in condition for allowance. For the reasons stated above, Applicant respectfully requests full allowance of the

claims as amended. Please charge any additional fees or deficiencies in fees or credit any overpayment to Deposit Account No. 20-0780/RPXC-25,338 of HOWISON & ARNOTT, L.L.P.

Respectfully submitted,  
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